GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1471
ANSWERED ON:08.12.2015
Production of Ethanol
M. Smt. Vasanthi

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has formulated any action plan to increase the production of ethanol for the use of oil companies in blending programme;
(b) if so, the details thereof and action taken by the Government thereon; and
(c) if not, the reasons therefor?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a)&(b): The Central Government with a view to increase production of ethanol for supplies to Oil Marketing Companies(OMCs), has scaled up the blending targets from 5% to 10% under Ethanol Blending Programme (EBP). To achieve these blending targets, the Government has framed a 'National Grid' which networks the distilleries to the OMC depots and allocates the quantities to be supplied by them. The Government has also fixed remunerative ex-depot price of ethanol and waived excise duty on it for supplies to OMCs. Besides, soft loans up to 40% of the project cost is provided to the sugar mills from Sugar Development Fund (SDF) for setting up ethanol projects. Further, there is no restriction on ethanol production from molasses including B-heavy molasses.
(c): Does not arise.
****